

**THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN MET IN REGULAR SESSION IN THE COMMISSIONERS’ ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA ON MONDAY, DECEMBER 16, 2002. THE MEETING CONVENED AT 8:30 A.M.**

**MEMBERS PRESENT:**

Chairman Johnnie Sampson, Jr.  
Vice Chairman Lee Kyle Allen  
Commissioner George Brown  
Commissioner Bill Harper  
Commissioner Perry Morris  
Commissioner M. Renee Sisk  
Commissioner Leon C. Staton

**STAFF PRESENT:**

Harold Blizzard, County Manager  
George B. Sawyer, Assistant County Manager  
Richard F. Hemphill, County Finance Officer  
Ray H. Moser, Human Resources Director  
Gwendolyn M. Bryan, Clerk to the Board  
James R. Sugg, County Attorney

Following an invocation by Commissioner Allen and the Pledge of Allegiance, Commissioner Morris moved to approve minutes of December 2, 2002, seconded by Commissioner Brown and unanimously carried.

**CONSENT AGENDA**

*Tax Releases and Refunds*

Craven County Tax Administrator, Ronnie Antry, submitted the following routine requests for tax releases and refunds for the Board’s approval. Commissioner Allen moved for their approval, seconded by Commissioner Morris and unanimously carried in a roll call vote.

*Credits*

<b>TAXPAYER NAME</b>	<b>TICKET #</b>	<b>AMOUNT</b>
ANDERSON, JERRY HENRY DOUBLE LISTED AS REAL ON ACCT. #144900	2002-0001077	\$ 3.32
ARTHUR FARMS DOUBLE LISTED WITH ACCT. #40425	2002-0001493	\$ 9.47
BRANCH, ROY V CORRECTED APPRAISAL ERROR	2002-0005452	\$ 33.59
BRIMMAGE, DONALD R & PEARLINE DWMH DOUBLE LISTED-REBILLED	2002-0005706	\$ 877.32
BRYANT, GARFIELD PENNY DOUBLE LISTED WITH ACCT #39351	2002-0006705	\$ 377.54
BRYANT, GARFIELD PENNY DOUBLE LISTED WITH ACCT. #39351	2001-0017949	\$ 450.11
CASH IN ADVANCE INC NOT IN BUSINESS 1/1/2002	2002-0008410	\$ 43.47

CHURCH-HAVELOCK CHURCH OF EXEMPT PER NCGS 105-278.3	2002-0009217	\$ 310.36
CHURCH-HAVELOCK CHURCH OF EXEMPT PER NCGS 105-278.3	2002-0009216	\$ 378.66
COOMBS, STEVEN ELVERT & LYNN E CORRECTED APPRAISAL ERROR	2002-0010479	\$ 103.68
CRAWFORD ENTERPRISES INC DID NOT OWN 1/1/2002	2002-0090678	\$ 167.13
CREATIVE TOUCH STYLING SALON CORRECTED LISTING INFORMATION	2002-0011367	\$ 52.23
DIXON, JOHN & SHERRY REVALUED PER BILL OF SALE IN 2001	2002-0013557	\$ 444.03
DIXON, JOHN & SHERRY REVALUED PER CREDIT MEMO FOR 2001 PER BILL OF SALE	2001-0091514	\$ 540.35
EDWARDS, CORRINE A BUILDING NOT ON SITE 1/1/2002	2002-0014882	\$ 42.93
FINCH, JAMES D JR & MEREDITH M CORRECTED APPRAISAL ERROR-REBILLED	2002-0016357	\$ 94.69
FRANZ, JASON D & CLARE CORRECTED APPRAISAL ERROR-REBILLED	2002-0090345	\$ 182.00
GAVIN, JAMES F SR & JANE MOBILE HOME USED FOR STORAGE ONLY	2002-0018818	\$ 32.00
GREENLEAF MEMORIAL PARK INC REDUCTION OF VALUE PER BOARD OF E & R	2002-0020364	\$ 2,065.68
HARRIS, KARLA C CORRECTED APPRAISAL ERROR-REBILLED	2002-0022245	\$ 94.69
JOHNSON, GERALD DOUBLE LISTED WITH ACCT # 45523	2002-0090767	\$ 140.36
LINKSCORP NORTH CAROLINA TWO L REDUCTION IN VALUE PER BOARD OF E & R	2002-0030617	\$ 1,969.68
LIPPITT, DEVEREUX H LOT DOES NOT PERK PER CRAVEN COUNTY HEALTH DEPT.	2002-0030637	\$ 260.73
MEWBORN, HORACE H CORRECTED APPRAISAL VALUE-REBILLED	2002-0090924	\$ 2,070.43
MILLS, MARVIN C & MARY JO PROPERTY VACANT	2002-0034632	\$ 32.00
MILORO, SCOTT C VALUE ON BOAT ADJUSTED DUE TO POOR CONDITION	2002-0034682	\$ 25.19
PRICE, BRUCE E DID NOT OWN BUSINESS 1/1/2002	2002-0090824	\$ 16.76

ROBERTSON, HORACE VACANT DWELLING	2002-0042716	\$ 32.00
SOWLE, PATRICIA CORRECTED APPRIASAL ERROR	2002-0046582	\$ 123.39
TCF LEASING INC INCORRECT SITUS-SHOULD BE 2A-REBILLED ON SUPPLEMENT	2002-0048975	\$ 103.91
TFW INC CORRECTED APPRAISAL ERROR	2002-0049111	\$ 672.63
TFW LIMITED PARTNERSHIP I CORRECTED APPRAISAL ERROR	2002-0049119	\$ 324.80
TFW LIMITED PARTNERSHIP I CORRECTED APPRAISAL ERROR	2002-0049118	\$ 314.36
TFW LIMITED PARTNERSHIP I CORRECTED APPRAISAL ERROR	2002-0049117	\$ 449.50
TFW LIMITED PARTNERSHIP I CORRECTED APPRAISAL ERROR	2002-0049116	\$ 349.16
WADDELL CONSTRUCTION INC CORRECTED APPRIASL ERROR-REBILLED	2002-0051558	\$ 94.69
WAINWRIGHT, DWIGHT DOUGLAS MH DOUBLE LISTED AS REAL ON ACCT #29498	2002-0051654	\$ 45.94
WEBB, THOMAS F & KAREN F CORRECTED APPRAISAL ERROR	2002-0052627	\$ 645.19
WEBB, THOMAS, F & KAREN F CORRECTED APPRAISAL VALUE	2002-0052628	\$ 57.42
WEBB, THOMAS F & KAREN F CORRECTED APPRAISAL VALUE	2002-0052629	\$ 396.95
WEBB, THOMAS F & KAREN F CORRECTED APPRAISAL VALUE	2002-0052633	\$ 73.08
WELLS FARGO FINANCIAL LEASING CORRECTED APPRAISAL ERROR	2002-0052775	\$ 209.74
WELLS FARGO FINANCIAL LEASING CORRECTED APPRAISAL ERROR	2002-0052772	\$ 284.83
WELLS FARGO FINANCIAL LEASING INCORRECT SITUS-REBILLED ON SUPPLEMENT	2002-0052772	\$ 137.74
WELLS FARGO FINANCIAL LEASING CORRECTED APPRAISAL ERROR	2002-0052778	\$ 31.63
WELLS FARGO FINANCIAL LEASING CORRECTED APPRAISAL ERROR	2002-0052777	\$ 3.63
WHITE, JUANITA PATRICIA MOBILE HOME DOUBLE LISTED ON ACCT #40777	2001-0091679	\$ 263.13

WHITE, JUANITA PATRICIA MOBILE HOME DOUBLE LISTED WITH ACCT #40777	2002-0053928	\$ 220.79
WHITFIELD, TIMMY DOUBLE LISTED ON ACCT #33562	2002-0090621	\$ 85.97
WILMED HOME CARE NOT IN BUSINESS 1/1/2002	2002-0090902	\$ 50.48
1 UP LLC REDUCTION ON VALUE PER BOARD OF E & R	2002-0056870	\$ 1,702.30
1319 LLC CORRECTED APPRAISAL ERROR	2002-0056875	\$ 219.82

52 – CREDIT MEMO (S) \$ 17,711.48

*Refunds*

BRIMMAGE, DONALD R & PEARLINE DWMH DOUBLE LISTED AS PERSONAL	2001-0005609	\$ 353.75
BS DEVELOPERS INC DID NOT OWN 1/1/2002-REBILLED TO CORRECT OWNER	2002-0006863	\$ 57.08
BS DEVELOPERS INC DID NOT OWN 1/1/2002-REBILLED TO CORRECT OWNER	2002-0006864	\$ 4.15
WAINWRIGHT, DWIGHT DOUGLAS MH DOUBLE LISTED AS REAL ON ACCT # 29498	2001-0091804	\$ 42.24

4 – REFUND (S) \$ 457.22

*Budget Amendments & Ordinance Update*

Craven County Finance Officer, Rick Hemphill, submitted the following budget amendments and ordinance update for the Board's approval. Commissioner Allen moved for their approval, seconded by Commissioner Morris and unanimously carried in a roll call vote.

***CDBG FY03 Scattered Site***

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
272-4074-377-02-00 CDBG	\$ 10,000.00	272-4074-430-40-00 Cont Ser	\$ 10,000.00
TOTAL	\$ 10,000.00	TOTAL	\$ 10,000.00

**Justification:** Set up initial grant from FY 03 CDBG in the amount of \$10,000. This will cover necessary paperwork and related expenses to make application for the additional \$390,000 grant.

***Special Appropriation***

101-0000-399-01-00 Fund Balance	\$ 2,500.00	101-0190-430-96-30 Havelock Historical Society	\$ 2,500.00
TOTAL	\$ 2,500.00	TOTAL	\$ 2,500.00

**Justification:** To appropriate fund balance for special appropriation.

***DSS 7291 Mand.***

101-7291-349-16-00	\$254,300.00	101-7291-450-39-17	\$254,300.00
Day Care Smart Start		Day Care Smart Start	
101-7231-349-38-0	\$ 13,750.00		
Smart Start Admin			
101-00-399-01-0	\$ (13,750.00)		
TOTAL	\$254,300.00	TOTAL	\$254,300.00

**Justification:** Additional funds received from the Division of Child Development for Smart Start Day Care. There is no County match.

***Pass Through***

101-0564-348-54-00	\$ 74,528.00	101-0564-410-94-40	\$ 74,528.00
CJPP		Neuse Center	
TOTAL	\$ 74,528.00	TOTAL	\$ 74,528.00

**Justification:** Budget grant as approved by the NC Department of Correction 11-21-02. Neuse Center will administer the grant. Craven County will continue to bill Neuse Center for the utilities and in this year they will pay for rental of space pursuant to their contract. Neuse Center will submit reimbursement requests to the State. The funds will come to Craven County who will then disburse the funds as a pass through grant to Neuse Center.

**ORDINANCE:**

**CDBG FY 2003 Scattered sites  
Fund 272**

There is hereby approved the following amounts for the CDBG FY 2003 Scattered Sites Project.

Expenditures:

Contractual Services	\$ 10,000.00
TOTAL	\$ 10,000.00

There is hereby approved the following amounts in revenue for the CDBG FY 2003 Scattered Sites Project.

Revenue:

CDBG	\$ 10,000.00
TOTAL	\$ 10,000.00

This ordinance is approved this 16<sup>th</sup> day of December, 2002.

***Subdivision for Approval***

Craven County Planning Director, Don Baumgardner, submitted the following subdivision for the Board’s approval. Commissioner Allen moved for approval, seconded by Commissioner Morris and unanimously carried in a roll call vote.

Marsh Harbor Lot 7, Section I – Final: The property, owned by Rudolph Taylor and surveyed by Powell Surveying Co., is located within Twp 5 off of NC 101. The subdivision contains 1 lot on 1.70 acres and is proposed to be served by an individual well and septic system. The Planning Board reviewed and recommended the subdivision for final approval.

**CONSIDERATION OF LOCAL GOVERNMENT LAWSUIT AGAINST NC  
SECRETARY OF REVENUE**

Commissioner Harper moved to join the local government lawsuit against the NC Secretary of Revenue, seconded by Commissioner Allen. During discussion, Commissioner Allen stated that his rationale for supporting the action would be to clarify the Governor’s authority to withhold local reimbursements more than an attempt to recover monetary damages. He asserted that it would be better for Craven County to fight its own battle as opposed to relying on other counties to test this issue, so the County Board could know what to depend upon during the budget process. Commissioner Sisk stated that the bill passed by the General Assembly to limit the Governors’ powers in such cases is useless in stopping such action in the future, and the lawsuit would be the next step in establishing limitations on the Governor’s authority. Commissioner Staton inquired how many counties are involved in the suit. The County Attorney responded that according to his most recent count, there are 22; however, there may be as many as 27 local governments who have joined the suit. Commissioner Harper stated that if there is no protest registered against the State’s action, consent to the action would be assumed. Commissioner Brown inquired if there were any sales taxes withheld and it was clarified that there were not. Commissioner Sampson cautioned that the County would be antagonizing those with whom the County must work in the future and the repercussions for the County should be considered. In a roll call vote the motion failed, there being four (4) “Nays” from Commissioners Brown, Morris, Staton and Sampson, and three (3) “Ayes” from Commissioners Allen, Harper and Sisk.

**APPOINTMENTS**

*Commissioners*

The Chairman listed the Commissioners Appointments to boards and committees as follows:

**APPOINTMENTS OF COMMISSIONERS**

Following is a list of boards and committees which require a Commissioner to serve.

- 1. Tourism Development Authority (Allen)
- 2. Neuse Center for Mental Health (Morris)
- 3. Criminal Justice Advisory Board (Brown)
- 4. Craven County Health Board (Allen)
- 5. East Carolina Work Force Development (Staton)
- 6. New Bern Craven County Library (Sisk)
- 7. Swiss Bear (Sampson)
- 8. Craven Evaluation and Training Center (Sampson)
- 9. Military Civilian Community Council (Staton)
- 10. Aging Planning Board (Sisk)
- 11. Kellenberger Foundation (Sampson)
- 12. Tryon Palace Commission (Sampson)
- 13. Juvenile Crime Prevention Council (Harper)
- 14. Smart Start (Sisk)
- 15. ECCOG (Staton)

The Kellenberger Foundation and the Tryon Palace Commission require that the Chairman serves.

Others Boards upon which Commissioners are currently serving are as follows:

1. Coastal Regional Solid Waste Management Authority (Morris) (Alternate)
2. Economic Development Commission (Harper)
3. Local Emergency Planning Committee (Brown)
4. Cove City Library Board (Brown)
5. Havelock City Library Board (Allen)
6. Vanceboro Library Board (Morris)
7. Craven Pamlico Transportation Committee (Staton)

#### *Farmers Market Board*

The Board of Commissioners considered a request from the Farmers Market Board of Directors to appoint Billy Dunham to fill a vacancy created by the resignation of Dan Hartsell. Commissioner Allen nominated Mr. Dunham. Commissioner Brown moved to close nominations, seconded by Commissioner Morris and unanimously carried, with Mr. Dunham being appointed by acclamation.

#### *Rural Planning Organization Appointments*

Appointments to the Rural Transportation Advisory Committee and the Rural Transportation Coordinating Committee were deferred until the Board's next meeting.

#### *Sexual Assault Resource Center*

The Board received a request from the Sexual Assault Resource Center to appoint Carol A. Williams. Commissioner Allen nominated Ms. Williams. Commissioner Morris moved that nominations be closed, seconded by Commissioner Brown and unanimously carried, with Ms. Williams being appointed by acclamation.

#### *Health Board*

The Craven County Health Director advised the Board that the terms of Robert Montiero, Physician, Mary Ann Van Voorhees, Nurse, W.A. Crumpler, Pharmacist, Vinson Bowers, citizen and Arabelle Bryant, citizen, are due to expire at the end of December. Commissioner Allen nominated Robert Montiero, Mary Ann Van Voorhees and W.A. Crumpler for reappointment to the positions filled by a physician, a nurse and a pharmacist. Commissioner Sampson nominated Vincent Bowers and Arabelle Bryant for reappointment in the citizens' positions. There being no additional nominations, Commissioner Brown moved to close nominations, seconded by Commissioner Morris and unanimously carried, with all nominees being reappointed by acclamation.

#### *Fire Tax Commissioner*

The Board received correspondence from Fire Marshal, Stanley Kite, requesting the appointment of Clarence Edwards to replace Fred Laughinghouse as a Township Six Fire Tax Commissioner, due to the death of Mr. Laughinghouse. Commissioner Morris nominated Mr. Edwards for appointment, as requested. Commissioner Staton moved to close nominations, seconded by Commissioner Allen and unanimously carried, with Mr. Edwards being appointed by acclamation.

### *CRSWMA*

The Board was advised of the expiring term of Paul Johnson on the Coastal Regional Solid Waste Management Authority. Commissioner Allen nominated Mr. Johnson for reappointment. Commissioner Sisk moved to close nominations, seconded by Commissioner Brown and unanimously carried, with Mr. Johnson being reappointed by acclamation.

### *Civilian Military Community Council*

The Board was advised that the term that Bridgeton Mayor, Rodman Williams, is completing for former Mayor, Robert Toler, expired on June 30, 2002. Commissioner Brown nominated Mr. Williams to complete the last six months of the current term cycle until June 30, 2003 and moved to close nominations, seconded by Commissioner Morris and unanimously carried.

### *Cove City Library Board*

Commissioner Brown requested to defer appointments to the Cove City Library Board until the Board's next meeting, considering that one of the members of the Board who is eligible for reappointment has resigned.

### *New Bern Library Board*

It was the consensus of the Board to defer appointments to the New Bern Library Board until the next agenda.

### *Neuse River Development Authority*

The Board was apprised of the pending expiration of Michael Rogers' term on the Neuse River Development Authority. Commissioner Allen nominated Mr. Rogers for reappointment. Commissioner Brown moved to close nominations, seconded by Commissioner Morris and unanimously carried, with Mr. Rogers being reappointed by acclamation.

### *Planning Board*

It was the consensus of the Board to defer appointment to the Planning Board to replace Commissioner Morris until the next meeting.

## **9:00 A.M. PUBLIC HEARING CONCERNING ECONOMIC INCENTIVES**

At 9:00 a.m. the Board was declared in public hearing, as advertised, concerning the granting of an economic performance grant and conveyance of land. Economic Developer, Jim Davis, explained that Wirthwein, a German company, is interested in locating its plastic component manufacturing operation in Craven County. He advised the Board that the Economic Development Commission has recommended conveying a portion of Lot #2 at the Craven County Industrial Park, consisting of approximately 18 acres valued at \$25,000 per acre, to Wirthwein. The total land value is \$450,000. Arey Grady of the County Attorney's Office, explained that the performance agreement consists of a \$225,000 grant over an eight year period based on specific performance required of the company relative to its expected impact on the economy of Craven County. He explained the required demonstrations relative to the construction of the facility and its impact on the economy of Craven County. He stated that the company must pay an average salary above the current salary averages for the County, and must demonstrate that the operation will produce activity resulting in tax collection over a period of years that will allow the County to recoup its investment. Commissioner Harper inquired how long it would take the County to recoup its investment. Mr. Grady responded that it is projected that \$299,000 in sales tax will be realized over a ten-year period, and that \$45,000 per year in ad valorem taxes, based on an initial investment by



the company of \$7.8 million, is anticipated. Commissioner Sampson inquired about the number of employees that will be hired by the company. Mr. Grady responded that there are expected to be 70 employees with an average weekly salary of \$590.00. Commissioner Sisk inquired if the company would locate in Craven County, anyway, considering the fact that they will be producing components for the BSH operation. Mr. Grady responded that he was aware of other locations that the company has considered near Craven County and the BSH operation, but all are outside of Craven County. There were no speakers from the public and Commissioner Brown moved to close the public hearing, seconded by Allen. Commissioner Allen moved to follow through with the agreement and adopt the following resolution, seconded by Commissioner Morris and unanimously carried in a roll call vote.

**RESOLUTION OF THE CRAVEN COUNTY BOARD OF  
COMMISSIONERS APPROVING ECONOMIC PERFORMANCE GRANT  
AGREEMENT AND CONVEYANCE OF REAL PROPERTY FOR  
ECONOMIC DEVELOPMENT PURPOSES**

WHEREAS, Craven County (hereinafter “County”) has determined that County has historically suffered a degree of economic and fiscal distress which can be remedied in part by the expansion of industries currently located in County and the location of new industries in County; and,

WHEREAS, citizens in County have an average wage level that is below average state wage levels, and the unemployment rate of County is greater than the state unemployment average, deficiencies which can be remedied in part by the expansion and location of industries in County. Furthermore, the average weekly wage paid by all insured industries in County is \$574.87 as most recently determined by the North Carolina Employment Security Commission. Moreover, the average weekly wage paid by all industries in County is \$486 as most recently determined by the N. C. Department of Commerce; and,

WHEREAS, the expansion and location of industries in County will benefit County and its citizens by increasing and diversifying both the personal property and real property ad valorem tax bases which will increase tax revenue, and resulting ancillary economic activity will increase sales tax revenues, all of which will make available to County more funds with which to improve the general health, safety and welfare of County’s citizens; by providing a greater number of jobs with higher salaries and better benefits than are now available to citizens of County; by stimulating secondary economic activity which is directly beneficial to County and its citizens, including residential real estate development and the expansion of existing services and businesses; by increasing and improving the infrastructure of County; by increasing the economic opportunity available to County’s citizens and by improving the general technical training of County’s workforce; and,

WHEREAS, Wirthwein North Carolina L.P. and Carolina Technical Plastics Corp. (collectively referred to herein as “Wirthwein”), which manufacture components for household appliances, intend to construct a manufacturing facility in County and make investments in equipment and machinery for said facility, all projected to be valued at \$11,000,000, and project to employ 70 workers at said facility at an expected weekly average wage of \$592.03, a rate above the average rate paid to other employees in County.

Wirthwein's proposed operations will aid tremendously in remedying the previously identified economic and fiscal distresses suffered by County and its citizens; and,

WHEREAS, County has determined that in an effort to encourage the location of other industries within County County should offer to Wirthwein certain economic development incentives rewarding Wirthwein's projected investment and employment, said incentives to consist of the conveyance without direct consideration of a +/- 18 acre tract of land in the Craven County Industrial Park valued at \$25,000 an acre for a total value of approximately \$450,000 and the execution of a Performance Grant Agreement which will result in cash payments to Wirthwein in an amount not to exceed \$225,000 over 8 years provided that Wirthwein meets its projected investment and employment levels; and,

WHEREAS, pursuant to N.C. Gen. Stat. § 158-7.1(a), local governments, including County, are authorized:

[T]o make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded by the levy of property taxes pursuant to [G.S. 153A-149](#) and [160A-209](#) and by the allocation of other revenues whose use is not otherwise restricted by law.

Furthermore, N.C. Gen. Stat. § 158-7.1(d) also permits local governments, including County, to convey property held for industrial or commercial use after notice to the public, a public hearing and a determination of the probable hourly wage to be paid by the prospective industry. Moreover, N.C. Gen. Stat. § 158-7.1(d2) allows County in arriving at the value of the consideration that it receives for the conveyance of property held for economic development purposes to consider prospective tax revenues coming to the County for 10 years after the conveyance provided that County determines that the conveyance will stimulate the local economy, promote business and result in the creation of a substantial number of jobs that pay at or above the median average wage in County and further provided that County contractually binds the grantee of the property to construct the improvements expected to generate said tax revenues within 5 years; and,

WHEREAS, County has determined that the probable hourly average wage to be paid by Wirthwein by its employees is \$14.80 for a weekly average hourly wage of \$592.03, which is a rate above County's weekly average hourly wage, as determined by both the N.C. Employment Security Commission and Department of Commerce; and,

WHEREAS, based on Wirthwein's projected investment in 2003, County has determined that County's ad valorem tax revenue from said investment will be approximately \$45,240 per year, for a total of \$452,400 over ten years. Moreover, in any

event, Wirthwein will be contractually bound to make within 5 years an investment with a minimum value of \$5,000,000, which will result in approximately \$29,000 in ad valorem tax revenue per year, for a total of \$290,000 over ten years. Furthermore, during the initial 8 years of the operations of Wirthwein's facility, Wirthwein is expected to make further capital investments which will result in further ad valorem tax revenue; and,

WHEREAS, based on Wirthwein's projected investment and employment and resulting ancillary economic activity, County has been informed by the N.C. Department of Commerce that County's prospective sales tax revenues from said investment will be \$299,000 during the first ten years following the start of Wirthwein's planned investment; and,

WHEREAS, County has determined that the conveyance to Wirthwein of the tract of land herein described for no direct consideration and the execution of the performance Grant Agreement herein described will stimulate the local economy, promote business, and result in the creation of a substantial number of jobs that pay at or above the median average wage in County; and,

WHEREAS, the agreements between Wirthwein and County contain a provision that if Wirthwein does not construct a facility on the property to be conveyed within 5 years that the property will be reconveyed by Wirthwein to County; and,

WHEREAS, on December 16, 2002 and after proper public notice, pursuant to N.C. Gen. Stat. § 158-7.1 the Board of Commissioners for County held a public hearing concerning its intent to grant to Wirthwein the economic development incentives hereinabove described; and,

WHEREAS, the Board of Commissioners of County does desire to convey to Wirthwein the property herein described and to execute with Wirthwein a Performance Grant Agreement herein described, and does further desire that this RESOLUTION serves as a memorial of the actions taken by the Board of Commissioners on this matter.

Now, therefore, be it resolved as follows:

1. That the Economic Performance Grant Agreement attached hereto and incorporated herein by reference as Exhibit "A" be executed by County at such appropriate time to be determined by counsel to County.
2. That County execute such documents and instruments as may be necessary in the opinion of counsel to County to effectuate the transfer and conveyance to Wirthwein of the real estate described in Exhibit "A" attached hereto and incorporated herein by reference.
3. That the Chairman, Clerk to the Board, Manager and such other officers and agents of County are hereby authorized to execute any and all documents necessary in the opinion of counsel to County to effectuate any of the transactions contemplated herein.
4. That this RESOLUTION be entered in the official minutes of the Board of Commissioners of County and that the Clerk to the Board certify copies of

this RESOLUTION as may be necessary in the opinion of counsel to County.

This the 16<sup>th</sup> day of December, 2002.

## **FINANCE MATTERS**

### *10:00 A.M. Public Hearing on Refinancing of Three Installment Financing Agreements*

At 10:00 a.m. Commissioner Allen moved to go into public hearing, as advertised, to hear comments regarding the refinancing of three installment financing agreements. Commissioner Brown seconded the motion, which carried unanimously. County Finance Officer, Rick Hemphill, explained that the loan on the Airport Terminal, currently with G.E. Capital, the Human Services Building and Courthouse Annex, currently with First Citizens are proposed to be refinanced with Bank of America. He presented a summary of the financial impact, which would result in anticipated gross total savings in the amount of \$566,402. The Courthouse Annex rate would be lowered from 4.5% for FY 03 then 6.03% for the remainder of the term (June 2008) to a proposed fixed rate of 3.01%. The Human Services rate would be lowered from 4.5% for FY 03, 6.03% through FY 08 and 6.34% thereafter until July of 2011, lowered to a proposed fixed rate of 3.59%. The Airport Terminal rate would be lowered from 5.69% through 2007, 96% of six year treasury thereafter until April of 2014, with the calculation assuming 5.69% for the entire term, lowered to a proposed fixed rate of 4.09%. There were no speakers of the public who came forward and at 10:01 a.m. Commissioner Sisk moved to close the public hearing, seconded by Commissioner Morris and unanimously carried.

### *Refinancing Resolution*

Commissioner Allen moved to adopt the following resolution approving installment financing agreements to refinance three existing financing contracts and authorizing the execution and delivery of documents and connection therewith. Commissioner Morris seconded the motion, which carried unanimously.

## **RESOLUTION APPROVING INSTALLMENT FINANCING AGREEMENTS TO REFINANCE THREE EXISTING FINANCING CONTRACTS AND AUTHROIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH**

**WHEREAS**, pursuant to the North Carolina General Statutes, Chapter 160 A, Article 3, Section 20, Craven County, North Carolina, (the “County”) has previously entered into three installment financing contracts to finance the construction and equipping of a portion of the Craven County Airport (the “Airport Project”), the Craven County Courthouse Annex (the “Courthouse Project”) and the Craven County Human Services Building (the “Human Services Project”, and together with the Airport Project and the Courthouse Project, the “Projects”); and

**WHEREAS**, the County desires to refinance the existing installment financing contracts in order to reduce the interest costs associated with the financings;

**WHEREAS**, Bank of America, N.A. (the “Bank”) has agreed to refinance each of the Projects;

**WHEREAS**, findings of fact by the governing body of the County must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contracts;

**WHEREAS**, there has been presented to the Board of County Commissioners in substantially final forms (i) three Installment Financing Agreements (each, an “Agreement” and collectively, the “Agreements”) between the County and the Bank, one relating to each of the Projects, and (ii) three Deeds of Trust and Security Agreement from the County to a trustee named therein for the benefit of the Bank granting a security interest in each Project to the Bank to secure the corresponding Agreement (each, a “Deed of Trust”, and collectively, the “Deeds of Trust”);

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CRAVEN COUNTY:**

1. The proposed Agreements are necessary or expedient in order to refinance the existing debt and lower the County’s interest costs.

2. The proposed Agreements are to a bond issue for the same purpose because the Projects were originally financed through installment financing contracts, the amount of funding needed is not of significant size to warrant the issue of bonds, and the County will pay relatively low issuance expenses relating to the contract method of financing.

3. The County has substantial debt capacity to enter into the financing Agreements without any increase in the current property tax schedule.

4. The County is not in default in any of its debt service obligations.

5. The sums to fall due under the Agreements are adequate and not excessive for the proposed purpose because they match the outstanding balance of the existing loans.

6. The County hereby determines to refinance the Airport Project in accordance with the proposal from the Bank dated October 30, 2002 (the “BofA Proposal”). The amount financed shall not exceed \$3,875,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.09%, and the financing term shall not exceed April 30, 2014 (the “Airport Loan”). The Airport Loan will be secured by a lien granted by the County on all or a portion of the Airport Project pursuant to the corresponding Deed of Trust.

7. The County hereby determines to refinance the Courthouse Project in accordance with the BofA Proposal. The amount financed shall not exceed \$1,539,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.01%, and the financing term shall not exceed June 10, 2008 (the “Courthouse Loan”). The Courthouse Loan will be secured by a lien granted by the County on all or a portion of the Courthouse Project pursuant to the corresponding Deed of Trust.

8. The County hereby determines to refinance the Human Services Project in accordance with the BofA Proposal. The amount financed shall not exceed \$4,003,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.59 %, and the financing term shall not exceed July 1, 2011 (the “Human Services Loan”). The Human Services Loan will be secured by a lien granted by the County on all or a portion of the Human Services Project pursuant to the corresponding Deed of Trust.

9. The Agreements and the Deeds of Trust (collectively, the “Financing Documents”) shall be in substantially the form presented to the County Commissioners, which are hereby approved. The Chairman and other officers of the County are hereby authorized and directed to execute and deliver the Financing Documents, with such completions, omissions, insertions, and changes as may be approved by the Chairman or other officer executing such documents, including such changes as may be required by the North Carolina Local Government Commission, the execution thereof to constitute conclusive evidence of the approval of any such completions, insertions and changes, to

take all such further action as they may consider necessary or desirable, to carry out the refinancing of the Projects as contemplated by the proposal and this resolution.

10. The officers and employees of the County are hereby authorized and directed to deliver all certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with execution of the Financing Documents and the refinancing of the Projects. The County's Finance Officer is hereby authorized to act on behalf of the County in filing an application with the North Carolina Local Government Commission for approval of the proposed financing Agreements.

11. To the extent permitted by law, the officer or employee of the County as may be responsible from time to time for the preparation of the annual budget of the County, is hereby authorized and directed to carry out the obligations imposed by the Agreements on such officer or employee.

12. All other actions of the officers of the County which are in conformity with the purposes or intent of this resolution and in furtherance of the execution of the Agreements and the refinancing of the loans that financed the Projects are hereby ratified, approved and confirmed. The representations of the County made in the Agreements and the other related documents are hereby confirmed.

13. The obligation of the County under the Agreement relating to the Human Services Loan is hereby designated as a "qualified tax-exempt obligation" for the purposes of Section 265 (b)(3) of the Internal Revenue code of 1986, as amended (the "Code"), and, in connection therewith, the County makes the following representations and certifications:

(a) The County will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in the calendar year in which the obligation hereby approved is incurred, including such obligation, for the purpose of such Section 265(b)(3);

(b) The County and all its "subordinate entities" (within the meaning of Section 265(b)(3) of the Code) have not issued more than \$10,000,000 of tax-exempt obligations in the subject calendar year (not including "private activity bonds," as defined in Section 141 of the Code, other than "qualified 501(c)(3) bonds," as defined in Section 145 of the Code), including the obligation hereby approved;

(c) Barring circumstances unforeseen as of the date of delivery of the obligation hereby approved, the County will not approve the issuance of tax-exempt obligations of the County or such subordinate entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued in the subject calendar year by the County and such subordinate entities, result in the County and such subordinate entities having issued a combined total of more than \$10,000,000 of tax-exempt obligations in the subject calendar year (not including private activity bonds other than qualified 501(c)(3) bonds), including the obligation hereby approved; and

(d) The County has no reason to believe that the County and such subordinate entities will issue tax-exempt obligations in the subject calendar year in an aggregate amount that will exceed such \$10,000,000 limit; provided, however, that if the County receives an opinion of its bond counsel that compliance with any restriction set forth in (b) or (c) above is not required for the obligation hereby approved to be a qualified tax-exempt obligation, the County need not comply with such restriction.

14. The obligation of the County under the Agreement relating to the Courthouse Loan is deemed designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code pursuant to Section 265(b)(3)(D)(ii) of the Code.

15. This resolution shall take effect immediately.

### *Amendment of Debt Set Off Program*

Mr. Hemphill advised the Board of some recent changes in the set off legislation which require the County to execute a contract amendment with the Clearinghouse (NCACC & League of Municipalities). The changing will allow the County to consolidate small debts to reach the \$50 minimum amount which can be submitted. In addition, the \$15 set off fee will be charged to the debtor rather than absorbed by the County. The original agreement was executed by the County in 2001. Commissioner Allen moved to approve the amendments to the agreement, seconded by Commissioner Harper and unanimously carried.

## **COMMISSIONERS REPORTS**

*Commissioners Brown, Morris and Sampson*, expressed congratulations to the New Bern High School football team, which recently placed second in the State Championship.

*Commissioner Staton* inquired if the County has a terrorism prevention program. County Manger, Harold Blizzard, responded that Craven County Emergency Services is working on terrorism preparedness in conjunction with the State and the local Police Department. He stated that County policies and services have been reviewed at the department level, although there is no formal plan in place. Commissioner Staton inquired if an organized plan and organization are required to be in place in order for the County to receive Homeland Security funds. Mr. Blizzard stated that the County's status relative to these funds is being reviewed.

*Commissioner Allen* stated that the County has a statutory obligation to provide basic ambulance service to every citizen. He inquired about the contents of the agreements with the rescue squads and requested a copy. Mr. Blizzard stated that he will provide a copy of the Craven County rescue squad contracts to all of the Commissioners. Commissioner Allen also requested that the Havelock Historical Preservation Society be awarded an appropriation in the amount of half of their FY 2002-2003 budget request. The Havelock Historical Preservation Society requested \$5,000. Commissioner Allen moved that an appropriation be made in the amount of \$2,500 as was done, with other non-profit agencies that were funded in the FY2001-2002 budget at the Boards meeting on November 18, 2002.

*Commissioner Harper* inquired if there is a present need or if the request is based on the availability of funds. He also questioned the need to continue feeding of the non-profits. The motion carried with five (5) "Ayes" from Commissioners Allen, Brown, Morris, Sisk and Staton, there being two (2) "Nay" from Commissioners Harper and Sampson. At 10:35 a.m. the Board was recessed to convene the meeting of the Water and Sewer Board of Directors.

At 10:38 a.m. the Board returned to regular session and a recess was declared until 11:00 a.m.

## **11:00 PUBLIC HEARING ON 2003 CDBG – SS APPLICATION**

At 11:00 a.m. the Board reconvened and was declared in public hearing, as advertised, relative to the intention of the County to apply for FY 2003 Scattered Site funding under Title I of the Housing and Community Development Act. Reid Whitesell, Consultant, prefaced the public comments, stating that the application will be competitive and based on need. He explained that the municipalities within the County can still apply independently for concentrated needs and NCHFA funding, but can no longer do so for CDBG Scattered Site funds. He recommended that the rating of applications be countywide, including any municipalities that wish to participate. He stated that all of the municipalities in the County have been sent certifications making them aware of the County's application; however, only New Bern has responded and requested to be part of the program. The following citizens spoke:

1. *Bernard George* of New Bern Planning Department, stated that New Bern would like to be included, as a large percentage of the low-income residents who would be eligible for the program reside in New Bern.
2. *Mr. John Gallant* of Croatan Lane, inquired about the eligibility criteria for the elderly. He expressed the opinion that a citizen paying \$50 per month for a satellite dish should be disqualified from receiving grant funds under this program.

There being no additional speakers from the public, Commissioner Allen moved to close the public hearing at 11:10 a.m., seconded by Commissioner Sisk and unanimously carried.

**RESOLUTION APPROVING SUBMITTAL OF THE CRAVEN COUNTY FY03  
CDBG-SS PROJECT APPLICATION AND APPOINTING THE CRAVEN  
COUNTY BOARD OF COMMISSIONERS AS THE SELECTION COMMITTEE  
FOR THE CRAVEN COUNTY FY03 CDBG-SS HOUSING PROJECT**

Commissioner Allen moved to adopt the following resolution approving submittal of the Craven County FY03 CDBG Scattered Site Project Application and Appointing the Craven County Board of Commissioners as the Selection Committee for the Craven County FY 03 CDBG-SS Housing Project. Commissioner Staton seconded the motion, which carried unanimously.

**WHEREAS**, Craven County wishes to submit an application for a \$400,000 FY03 CDBG Scattered Site Housing Project, and to proceed with the project once the project application is approved; and

**WHEREAS**, the Craven County Commissioners, planning staff, and officials of the County's several municipalities have been given the opportunity to participate in the public hearing process and to comment on the County's draft CDBG-SS program assistance policy/housing distribution plan; and

**WHEREAS**, the Board of Commissioners feel that the proposed program assistance policy/housing distribution policy is entirely consistent with the distribution policies adopted by the Board in the past, and that the distribution plan is based on provision of assistance to the County's most needy households within an objective geographic distribution system; and,

**WHEREAS**, housing assistance applications from municipalities that agree to participate in the program will be accepted by Craven County; and

**WHEREAS**, the County will continue to accept comments about the proposed program assistance policy and housing distribution plan until the formal policy/plan is adopted following receipt of a final grant agreement from the Division of Community Assistance; and

**WHEREAS**, the Craven County Board of Commissioners has acted as the Selection Committee for all previous scattered site housing projects managed by the County since 1992;

**NOW, THEREFORE**, the Craven County Board of Commissioners hereby resolves the following:

The County Planning Director is authorized to submit the final grant application to the Division of Community Assistance.

The Chairman of the Board of Commissioners is authorized to execute all documents required for submission of the application to DCA.



The Board of Commissioners hereby appoints itself as the Selection Committee for the FY03 CDBG Scattered Site Housing Project, and will review and either approve or deny applications for assistance based on the guidelines included in the final program assistance policy/housing distribution plan approved by this Board following receipt of a grant agreement.

Resolved this 16<sup>th</sup> day of December, 2002.

**VOTE TO ADOPT RECOMMENDATION OF CONSULTANT AND PLANNING  
DIRECTOR ON SPECIFIC PROJECT ACTIVITIES**

Commissioner Sisk moved to approve the Consultant's recommendation on the Draft Housing Distribution Plan for the Craven County FY03 CDBG Scattered Site Housing Program and specific project activities, seconded by Commissioner Brown and unanimously carried.

At 11:17 a.m. Commissioner Allen moved to adjourn, seconded by Commissioner Brown and unanimously carried.

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Chairman Johnnie Sampson, Jr.  
Craven County Board of Commissioners

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Gwendolyn M. Bryan, Clerk